

## 2018 Current Fiscal Year Report: Defense Business Board

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### 1. Department or Agency

Department of Defense

### 2. Fiscal Year

2018

### 3. Committee or Subcommittee

Defense Business Board

### 3b. GSA Committee No.

10725

### 4. Is this New During Fiscal Year?

No

### 5. Current Charter

07/03/2018

### 6. Expected Renewal Date

07/03/2020

### 7. Expected Term Date

### 8a. Was Terminated During Fiscal Year?

No

### 8b. Specific Termination Authority

### 8c. Actual Term Date

### 9. Agency Recommendation for Next Fiscal Year

Continue

### 10a. Legislation Req to Terminate?

No

### 10b. Legislation Pending?

Not Applicable

### 11. Establishment Authority

Agency Authority

### 12. Specific Establishment Authority

Secretary of Defense Determination

### 13. Effective Date

01/02/2002

### 14. Committee Type

Continuing

### 14c. Presidential?

No

### 15. Description of Committee

Other Committee

### 16a. Total Number of Reports

7

### 16b. Report

Date

Report Title

10/17/2017 Best Practices for Test & Evaluation

12/14/2017 Creating Virtual Consultancies: Engaging Talent (Innovative Culture Part II)

01/17/2018 Selecting Senior Acquisition Officials

01/25/2018 An Assessment on the Creation of an Under Secretary of Defense for Business Management & Information

02/02/2018 Future Models for Federally Funded Research and Development Center Contracts

02/14/2018 Fully Burdened and Lifecycle Costs of the Workforce

06/01/2018 Implications of Technology on the Future Workforce

### Number of Committee Reports Listed: 7

17a. Open 1 17b. Closed 1 17c. Partially Closed 0 Other Activities 1 17d. Total 3

### Meetings and Dates

Purpose

Start

End

The DBB meets quarterly and held its first session for fiscal year 2018 on December 6, 2017 with a public meeting from 11:00 AM to 12:00 PM in room 3E863 in the Pentagon, Washington, D.C. At the public session the study "Fully Burdened and Life Cycle Costs of the Workforce" was briefed. This study effort was to assist the DoD to more accurately determine the fully burdened and lifecycle costs of military and civilian employees and to find meaningful ways of optimizing the workforce. 12/06/2017 - 12/06/2017

The DBB met in Administrative Session only for the appointment and orientation of new Board members. 05/02/2018 - 05/02/2018

The DBB met for its second meeting in FY 2018 in a closed meeting on August 8, 2018 in rooms 3E155 and 3E869 in the Pentagon, Washington DC. The Board received a briefing from McKinsey & CO. on raw data from a previously conducted study. The Board also received a presentation and demonstration from the Boston Consulting Group on the "Cost of Things." The Board met with the Secretary and Deputy Secretary of Defense for a discussion on the National Defense Strategy. The DoD Chief Management Officer had determined the meeting to be closed to the public due to the proprietary information shared and classified material being discussed. 08/08/2018 - 08/08/2018

### Number of Committee Meetings Listed: 3

	Current FY	Next FY
<b>18a(1). Personnel Pmts to Non-Federal Members</b>	\$0.00	\$0.00
<b>18a(2). Personnel Pmts to Federal Members</b>	\$0.00	\$0.00
<b>18a(3). Personnel Pmts to Federal Staff</b>	\$593,752.00	\$729,000.00
<b>18a(4). Personnel Pmts to Non-Member Consultants</b>	\$0.00	\$0.00
<b>18b(1). Travel and Per Diem to Non-Federal Members</b>	\$18,100.00	\$25,000.00
<b>18b(2). Travel and Per Diem to Federal Members</b>	\$0.00	\$0.00
<b>18b(3). Travel and Per Diem to Federal Staff</b>	\$0.00	\$0.00
<b>18b(4). Travel and Per Diem to Non-member Consultants</b>	\$0.00	\$0.00
<b>18c. Other(rents,user charges, graphics, printing, mail, etc.)</b>	\$201,296.00	\$275,000.00
<b>18d. Total</b>	\$813,148.00	\$1,029,000.00
<b>19. Federal Staff Support Years (FTE)</b>	6.00	4.00

### 20a. How does the Committee accomplish its purpose?

The Board holds quarterly meetings to deliberate on findings and recommendations, discuss ongoing work, and/or consider new areas of work. Sub-committees (i.e., task groups) meet as appropriate to accomplish their work and report only to the full Board. The Board provides findings and advice to the Secretary of Defense regarding the use of current best business practices of interest to the Department of Defense. When endorsed by the Secretary of Defense, the Board's recommendations are referred to senior officials within the Department for implementation.

### 20b. How does the Committee balance its membership?

The Board consists of a diverse set of private sector, senior executives with established expertise and reputations in the areas of executive management, corporate governance, audit & finance, human resources & compensation, economics, technology, and healthcare.

## 20c. How frequent and relevant are the Committee Meetings?

The Board meets on a quarterly basis for the purposes of deliberating findings and recommendations and developing work priorities. The meetings are very relevant since the Department often acts in some manner on the Board's recommendations.

## 20d. Why can't the advice or information this committee provides be obtained elsewhere?

The Board provides the Secretary of Defense with outside private sector perspectives and lessons learned on business management, culture, principles, and practices not otherwise available to the Secretary from within the Department. The Board's diverse, executive-level, global business skills and experience ensure its findings and advice are applicable and appropriate to the challenges faced by the Secretary. These private sector best business practices are highly applicable to large, complex enterprises such as the DoD, and have helped the Department achieve greater efficiency and effectiveness.

## 20e. Why is it necessary to close and/or partially closed committee meetings?

Meetings typically are not closed to the public unless the DoD determines that items on the planned agenda meet the closed meeting provisions of 5 U.S.C. § 552b(c). Pursuant to DoD policy closed meetings can only be authorized by the DoD Sponsor, and only after consultation with the Office of the DoD GC.

## 21. Remarks

### Designated Federal Officer

Roma K Laster Executive Director, Defense Business Board

Committee Members	Start	End	Occupation	Member Designation
Apgar, Mahlon "Sandy"	07/22/2015	05/01/2018	Asset advisor	Special Government Employee (SGE) Member
Bovin, Denis	04/02/2014	12/31/2017	NVSF. Co-Chair & Co-CEO, Stone Key Partners.	Special Government Employee (SGE) Member
Cox, Howard	03/22/2013	12/31/2017	Special Limited Partner at Greylock Partners	Special Government Employee (SGE) Member
Dolan, Paul	08/06/2018	08/05/2022	Aviation Technical Services	Special Government Employee (SGE) Member
Dorn, Scott	05/02/2018	05/01/2022	President, Dorn Consulting LLC	Special Government Employee (SGE) Member
Fredrickson, Steven	05/02/2018	05/01/2022	Executive Chairman, PRA Group	Special Government Employee (SGE) Member
Glover, S. Taylor	03/12/2015	12/31/2017	President and Chief Executive Officer of Turner Enterprises, Inc.	Special Government Employee (SGE) Member
Holland, Robert "Bob"	03/02/2016	12/23/2017	Essex Lake Group, LLC	Special Government Employee (SGE) Member
Hultin, Jerry	10/28/2015	05/01/2018	Chairman, Global Futures Group, LLC	Special Government Employee (SGE) Member

Killefer, Nancy	10/22/2014	05/01/2018	Former Director, McKinsey & Company	Special Government Employee (SGE) Member
Langstaff, David	01/21/2010	12/31/2017	Chairman of the Board, Monitor 360	Special Government Employee (SGE) Member
Lazarus, Rochelle "Shelly"	10/22/2014	05/01/2018	Chairman Emeritus, Ogilvy & Mather	Special Government Employee (SGE) Member
Levin, Lon	07/22/2015	05/01/2018	President and CEO, GEOshare LLC	Special Government Employee (SGE) Member
Michael, Emil	10/22/2014	12/31/2017	Chief Business Officer, Uber Technologies, Inc.	Special Government Employee (SGE) Member
O'Connor, John	07/22/2015	07/21/2019	Chairman, J.H. Whitney Investment Management, LLC	Special Government Employee (SGE) Member
Odeen, Philip "Phil"	02/14/2008	12/31/2017	Corporate Board Director, Former Chairman AES Corporation & Convergys	Special Government Employee (SGE) Member
Phillips, William "Bill"	01/10/2005	12/31/2017	Former Principal in Charge of KPMG's Federal Advisory Unit	Special Government Employee (SGE) Member
Powell, Dina	08/07/2018	08/06/2022	Goldman Sachs	Special Government Employee (SGE) Member
Punaro, Arnold	07/22/2015	07/21/2019	Strategic Advisor. CEO, Punaro Group	Special Government Employee (SGE) Member
Ronald, Mark	01/01/2014	12/31/2017	Former CEO, BAE Systems, Inc.	Special Government Employee (SGE) Member
Simon, William "Bill"	05/02/2018	05/01/2022	Senior Advisor, KKR	Special Government Employee (SGE) Member
Swanson, William "Bill"	07/22/2015	05/01/2018	Former Chairman and CEO, Raytheon Company	Special Government Employee (SGE) Member
Szygenda, Ralph	05/02/2018	05/01/2022	Chairman and CEO, RJS Solutions, LLC	Special Government Employee (SGE) Member
Trudell, Cynthia	04/15/2013	04/14/2020	Executive Vice President, Human Resources and Chief HR Officer, PepsiCo	Special Government Employee (SGE) Member
Vashistha, Atul	07/22/2015	07/21/2019	CEO, NEO Group	Special Government Employee (SGE) Member
Venlet, David	05/02/2018	05/01/2022	Independent Consultant	Special Government Employee (SGE) Member
Walker, Kevin	01/21/2010	12/31/2017	Founder and CEO, TurtleWise, Inc	Special Government Employee (SGE) Member
Wright, Joseph "Joe"	07/12/2007	12/31/2017	Chairman of the Board of Tempus Applied Solutions Holdings, Inc. and FedData	Special Government Employee (SGE) Member
Zakheim, Dov	12/30/2004	12/31/2017	NSenior Fellow, CNA Corporation & Senior Advisor, CSIS	Special Government Employee (SGE) Member
Zoeller, Jack	01/21/2010	12/31/2017	Founder and CEO, Purefy Inc.	Special Government Employee (SGE) Member

**Number of Committee Members Listed: 30**

## Narrative Description

The Defense Business Board was established by the Secretary of Defense in 2001 to provide both the Secretary and the Deputy Secretary of Defense with independent advice and recommendations on how “best business practices” from the private sector’s corporate management perspective might be applied to the overall management of DoD. The Board consists of not more than 25 private sector executives with a proven track record of sound judgment in managing or governing large complex corporations or entities and a wealth of global business experience. The Board provides the Secretary of Defense

independent advice and recommendations on effective strategies for the implementation of best business practices of interest to the Department of Defense. The ultimate objective of this advice is to enhance the overall management and governance of the Department of Defense in order to realize savings through such efficiencies.

**What are the most significant program outcomes associated with this committee?**

Checked if Applies

- |   |                                     |
|---|-------------------------------------|
| Improvements to health or safety                  | <input type="checkbox"/>            |
| Trust in government                               | <input checked="" type="checkbox"/> |
| Major policy changes                              | <input checked="" type="checkbox"/> |
| Advance in scientific research                    | <input type="checkbox"/>            |
| Effective grant making                            | <input type="checkbox"/>            |
| Improved service delivery                         | <input checked="" type="checkbox"/> |
| Increased customer satisfaction                   | <input checked="" type="checkbox"/> |
| Implementation of laws or regulatory requirements | <input type="checkbox"/>            |
| Other   | <input checked="" type="checkbox"/> |

**Outcome Comments**

Business Processes ImprovementImproved Governance

**What are the cost savings associated with this committee?**

Checked if Applies

- |                            |                                     |
|----------------------------|-------------------------------------|
| None                       | <input type="checkbox"/>            |
| Unable to Determine        | <input checked="" type="checkbox"/> |
| Under \$100,000            | <input type="checkbox"/>            |
| \$100,000 - \$500,000      | <input type="checkbox"/>            |
| \$500,001 - \$1,000,000    | <input type="checkbox"/>            |
| \$1,000,001 - \$5,000,000  | <input type="checkbox"/>            |
| \$5,000,001 - \$10,000,000 | <input type="checkbox"/>            |
| Over \$10,000,000          | <input type="checkbox"/>            |
| Cost Savings Other         | <input type="checkbox"/>            |

**Cost Savings Comments**

The DBB is committed to develop recommendations that will assist the DoD realize significant cost savings through efficiencies realized. Specific cost savings are not calculated in DBB reports; however, its recommendations are based on private-industry best practices employed by leading edge companies which have realized cost savings and other efficiencies through instituting similar improvements.

**What is the approximate Number of recommendations produced by this committee for the life of the committee?**

851

**Number of Recommendations Comments**

6 recommendations in FY2018

**What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?**

0%

**% of Recommendations Fully Implemented Comments**

Full implementation of a Defense Business Board recommendation is estimated on level of acceptance of those contained in a report by the Secretary of Defense or Deputy Secretary of Defense.

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

0%

**% of Recommendations Partially Implemented Comments**

Partial implementation of Defense Business Board recommendations is estimated by long-term post report analysis as many recommendations are of long range impact which require time to be effected Department wide.

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☒ No ☐ Not Applicable ☐

**Agency Feedback Comments**

Oversight of implementation of DBB recommendations is continuous. Many recommendations, if adopted, may not be measured for implementation within the same fiscal year as presented to the DoD, as the implementation of such requires more than a year's time to effect.

**What other actions has the agency taken as a result of the committee's advice or recommendation?**

Reorganized Priorities

Checked if Applies



Reallocated resources	<input checked="" type="checkbox"/>
Issued new regulation	<input checked="" type="checkbox"/>
Proposed legislation	<input checked="" type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

### Action Comments

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**Is the Committee engaged in the review of applications for grants?**

No

### Grant Review Comments

NA

**How is access provided to the information for the Committee's documentation?**

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input type="checkbox"/>
Online Committee Web Site	<input checked="" type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

### Access Comments

N/A